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2. Consumer Control or Controlled Consumers
3. Profit Motive or Master Plan
4. Who Gets What
5. The Role of Government
6. The Big Picture
7. Meeting the Economic Challenge
8. What You Can Do About Communism

CHAMBER OF COMMERCE OF THE UNITED STATES
WASHINGTON, D.C.

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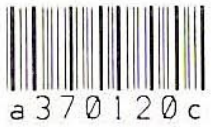

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"We will bury you"
—KHRUSHCHEV

The Communist Challenge

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PREFACE

To help meet today's threat of Communism, two things are necessary on the part of American citizens.

The first requirement is for the thinking people of this country to know what Communism is, what its aims are, how it operates—and why it is a challenge to our freedom.

The second requirement is for the thinking people of this country to know and understand the basic values and concepts which undergird our American way of life, to know how to strengthen and improve our free competitive enterprise system —and thereby to keep the country increasingly productive and strong.

The plain facts of life are these: If our free competitive enterprise system is not understood by the American people—and if our economy is not kept strong and made to grow stronger—then our most effective weapon against Communism will be gone, our major advantage will be lost, and the balance of world power will be shifted to the side of Soviet Russia.

The National Chamber's training and action course, "Freedom vs. Communism: The Economics of Survival", is designed to give you the information you need to help meet the threat of Communism effectively.

By reading the pamphlets in this course, and by taking part in the workshop meetings, you will be preparing and equipping yourself to play a more constructive role in today's conflict, the battle for the survival of human and economic freedom.

ARCH N. BOOTH
Executive Vice President
Chamber of Commerce of the United States

The Communist Challenge

MOST OF US recognize that Communism menaces freedom all over the world.

We use the term "the cold war".

We talk about "the battle for men's minds".

We speak of the "fight for freedom" and say "two ways of life are in conflict".

Our newspapers are filled with reports from trouble spots throughout the world. Communism moves to our doorstep in Cuba and threatens freedom half-a-world away in small countries such as Laos and cities such as West Berlin. We appropriate billions of dollars to strengthen the economies and the armed forces of other countries and additional billions to develop and build Polaris submarines, intercontinental missiles, and other weapons of modern war.

Recognition of the threat of Communism has not come easily. Because we want to live in peace, we would like to believe that leaders of all nations have a similar goal.

Events since World War II have shattered our illusions.

During the conflict we gave war materials and other assistance to the Soviet Union and hoped that following the war we could achieve understanding with Communist leaders.

Now, many crises, many conferences and many broken treaties later, we are confronted with a hard, unpleasant fact:

We are engaged in a battle for survival.

Why Do Communists War on Us?

MOST AMERICANS FIND IT difficult to understand *why* the Communists relentlessly attack us. *Why* this hatred and hostility? *Why* do the Communists seek to destroy us?

Some people attempt to dismiss the Communist challenge as merely Russian nationalism. They say that the leaders of Russia have always wanted to expand their empire, and that

the present actions of the Soviet Union are a continuation of this policy.

Undoubtedly, Russian imperialism plays a part in the present conflict. But the threat of Communism is much more serious than the threat of Russian nationalism. The threat is deeply rooted in the basic nature of Communism—its goals, its tactics, and its strategy. Imperial Russia sought to expand into adjacent areas; Communism attacks all over the world. It is international in character. Its goal is world conquest and domination.

Marx Furnished the Philosophy

TO UNDERSTAND WHY Communists war on us we must look briefly at the philosophies and ideas of two men—Marx and Lenin.

Karl Marx (1818-1883) and a colleague, Friedrich Engels, developed the goals of Communism—goals which have been called "The Myth of the Socialist Revolution."

Nikolai Lenin (1870-1924), who engineered the take-over of Russia by a comparatively small group of Communists, furnished the tactics and strategy—the "operating doctrine" of the Communist Party.

Communists' views on present day society flow from ideas developed by Karl Marx—as modified by Lenin, Stalin, Khrushchev, Mao Tse-tung, and others.

Marx was a German philosopher and scholar who, instead of following an academic career, turned to journalism. He participated in the thriving socialist movement of the times and was frequently in trouble with the authorities as the result of his radical views. A paper he edited in Cologne, Germany, was suppressed, he was expelled from France, and exiled from Germany. He moved to London where he continued to study and write.

Marx and Engels established the word "communism" in the world's vocabulary.

Technically, the term "communism" can be applied to any social organization in which private property is abolished and all goods are held in common. Throughout history, experiments of this nature have been tried by small groups.

Although the idea of sharing property is old, the word "communism" was not coined until the 1800's when it appeared in the propaganda of secret revolutionary societies in France. It was used by them to refer to the common ownership, or *community,* of all property.

Karl Marx and his patron, Friedrich Engels, adopted the word and widely publicized it in the *Communist Manifesto* of 1848.

The *Manifesto* served as the creed for a revolutionary movement, and those who followed the creed became known as Communists. Sixty-nine years later, the followers of the revolutionary doctrine took over the government of Russia. Today the word "communism" is applied specifically to the doctrine and practice of the Communist Party in the Soviet Union and to allied parties in other countries, including China.

What was the creed that Marx presented to the revolutionaries who were to follow him?

For over 18 years, Marx worked on his ponderous book *Das Kapital.* In it he elaborated on views which had already been expressed in the *Communist Manifesto* and in his other writings.

Obviously, the frequently complex theories expressed in several thousand pages cannot be easily and quickly summarized. But much over-simplified, Marx presented what he called "a scientific key" to history. His philosophy is sometimes referred to as "dialectical materialism."

As used by Communists today, "dialectical materialism" is a highly developed system of theories and concepts. Fortunately, it is not necessary for us to go deeply into its many refinements and subtleties.

The word "materialism" as used by the Communists is broader than we sometimes interpret it. It means far more than the tendency to give undue emphasis to worldly goods. Materialism goes back to Marx's relatively early conclusion that "the anatomy of civic society is to be sought in its economics." There is no spirit—no reality—independent of material conditions.

The word "dialectic" refers to the branch of logic used—the method of reasoning that is followed.

All societies, according to Marx, move through successive stages of development—from a feudal society, to a capitalistic society, to a socialistic society, and eventually to a pure Communistic society.

In all societies, according to Marxian logic, one class of people wars with another class. Essentially, it is this class warfare that changes the character of the society and brings about the new society.

The rule of a particular class and the "mode of economic production" characterize each society. When the "mode of production" is capitalism, according to Communists, the ruling class is made up of those who own the means of production and who hire labor. Communists refer to this group as the "bourgeoisie."

Opposing the bourgeoisie are the workers—"the proletariat."

Those who own the means of production, Marx said, use their property to "exploit" those who do not own the means of production.

Because the evils of capitalism could not be eliminated without complete overthrow of the system, Marx declared, the situation of the workers would grow progressively worse. Eventually, there would be only two classes—the very rich and the very poor.

When the system broke down, the workers would revolt and take over the means of production, the plants and industries, and overthrow the government which was the "tool" of the ruling class.

Stated so simply, it is difficult for Americans today to understand the appeal of these theories. But Marx fed the dissatisfaction of many of his so-called "proletariat" by giving them:

A target for hostility—the so-called "bourgeoise."

A reason for hating the "bourgeoise"—the "exploitation" of the workers.

The hope of a Revolution in which they would come out on top.

More than that, he had wrapped all his ideas up in a "scientific" approach which purportedly answered all questions logically and neatly. Communism, said Marx, is an inevitable historical development.

Marx Misread the Future

AT THE TIME Marx lived, the Industrial Revolution had brought with it a host of political, social, and economic problems. Marx could not foresee that, in the long run, the application of science to industry, the harnessing of new forms of power, increasing know-how, the discovery of new raw materials as well as the better utilization of old raw materials, the development of new forms of transport and communications were to result in a standard of living for the people in Western Europe that was not even dreamed of at the time.

Our economic system, built on the principle of voluntary action rather than on compulsion, is a dynamic, ever-evolving system. Today, it is a far cry from the system about which Marx was writing.

One reason why Marx could not foresee the future development of a dynamic, ever-evolving system of capitalism was because he accepted a theory that is called "the iron law of wages." This theory stated that the real wages of employees must inevitably be kept at a level which would barely keep "the working class" alive. Since the value of all goods, according to Marx, came from the labor necessary to produce them, employers kept what Marx called "surplus value."

"The modern laborer," said Marx in *The Communist Manifesto,* "instead of rising with the progress of industry, sinks deeper and deeper. . . . He becomes a pauper and pauperism develops more rapidly than population and wealth. . . ."

In accepting the "iron law of wages" Marx misread the future. He was especially wrong about developments in the United States and other democratic countries.

He predicted the lot of the majority of people would steadily grow worse. On the contrary, the scale of living in the United States and other modern democratic countries has steadily risen.

He predicted that the rich would get richer and the poor would get poorer, so that eventually there would be only two

classes—the very rich and the very poor. On the contrary, the number of families in the middle income group with comfortable wages, and some money in the bank has steadily increased.

Marx predicted that production would bog down completely due to "contradictions" within the capitalistic system, and that eventually it would be unable to "feed its own slaves." On the contrary, a continuous rise in productivity has resulted in steadily increasing production of wealth and an increasing equalization of the distribution of this wealth through all segments of the population.

He predicted that the class struggle between the workers and the capitalists would become more bitter and that workers would become more revolutionary. On the contrary, workers in the United States are strong supporters of the American system.

Marx Gave Communists a Goal

ALTHOUGH MARX COULD NOT foresee the future course of capitalism, he could see immediate problems. Wages were low, hours long, working conditions extremely bad. Child labor was common. Slums were rampant.

Many people were concerned about the widespread misery. Socialists were advocating that the government take over the means of production. Marx and his followers differed from these socialists—whom they called "Utopian socialists"—in one important way. *They insisted that violent revolution to overthrow the existing social order was necessary.*

The *Manifesto* announced clearly: "The Communists disdain to conceal their views and aims. They openly declare that their ends can be attained only by the forcible overthrow of all existing social conditions."

"The necessity for violent revolution is the one principle of consistency in the whole history of Communism" reported a Congressional Committee in 1949. "Any attempt to interpret Communism on any other basis is a failure. Soviet policy and Communist action are alike meant to serve this single end. Economic and political policy and action, collaboration on the surface and subversion underneath, a swing to the right in one period and a swing to the left in another, are meant to serve this single end, the world revolution."[1/]

In 1956, Khrushchev, perhaps motivated by the knowledge that in some countries violent revolution was impossible, declared that the transition to Communism could be accomplished through parliamentary means. But he did not give up the goal—revolution. Nor did he reject the idea of violent revolution wherever possible.

Marx furnished the Communists with two things that help us understand their actions in the world today.

First, he gave them a goal: The overthrow of the existing social order and the establishment of Communism. Working to achieve this goal is the primary purpose of a Communist. Any proposal is appraised by Communists from two standpoints: Does it help weaken any existing non-Communist social order? . . . does it help establish Communism?

Second, Marx gave his followers a materialistic philosophy, which is broader than Khrushchev's incessant talk of a better standard of living for the Russian people. It is the theory that the material world is the only important world.

Over the years people of the western world have developed moral standards, a sense of right and wrong, a belief in freedom and in the dignity and importance of the individual. These standards are rooted deeply in our cultural and religious heritage and beliefs.

Communists do not recognize or understand our moral standards, our sense of values, our belief in freedom of choice and the importance and dignity of the individual. They do not believe that man is "endowed by his Creator with certain unalienable rights, that among these are life, liberty and the pursuit of happiness."

Man is solely a product of his environment—particularly his economic environment—say the Communists, and by changing this environment, you can change the man.

Because they recognize no absolute standards of conduct or morality, the Communists argue that *anything* they do to advance the cause of Communism is justified and right. Anything that opposes Communism is false and untrue.

Lenin Built the Party

MARX GAVE THE Communists a goal in life and at the same time removed any moral restraints on the actions of people in seeking that goal.

On this framework, Lenin built modern Communism. He furnished the "operating doctrine." Marx told Communists *why* they should work; Lenin told them *how* they should work. He also added some important principles to Marxist doctrine.

Marx and Engels were somewhat vague about what would follow the Revolution but they did feel it would be followed by a period of socialism. During this interim period, the nation's existing institutions and its economic system would be completely over-hauled. All the capitalists and other "reactionaries" would be "liquidated" or "purged" in one way or another.

All others would be re-educated until their character had been changed enough to enable them to live in a pure Communistic society. This idea of re-moulding the nature and character of people is a basic idea of Communism.

Marx and Engels apparently believed this interim period of socialism would be short and that the Revolution would almost instantaneously usher in a new society.

Lenin translated Marx's abstract theories into plans for a long-range struggle. He taught that the Revolution would go on for years—both against enemies within the country and against enemies from other countries. He thus changed the idea of the Revolution, for practical purposes, from that of a single upheaval into a "protracted conflict."

Marx and Engels also concentrated on the class struggle within a nation. Lenin expanded the doctrine of class warfare within a state to a form of class warfare among nations. He envisioned the world as a great battlefield with the capitalistic nations on one side and socialistic nations on the other.

Communism Comes to Russia

MARX AND ENGELS predicted that the revolution would come in the industrialized nations of Western Europe. It came instead to the least industrialized—Russia. This was partly due

to years of oppression by the Czars, partly due to the revolutionary zeal of Lenin, but chiefly the result of Russian war losses in World War I.

A lawyer by profession, Lenin never practiced law seriously, but devoted all his time to the study of Marxism and to the spread of revolutionary ideas. As a young man he spent time in the Czar's prisons and was exiled to Eastern Siberia for his political activities. Freed in 1905, he left Russia. From Munich, London, Switzerland, he poured back a stream of propaganda into Russia.

Lenin's big chance came when, after some 28 months in World War I, Imperial Russia collapsed. The Imperial government was not overthrown; it fell. It was succeeded by a Provisional government, which was composed largely of middle-of-the-road and conservative opponents of the Czar.

There were really two Revolutions in Russia.

The first Revolution in February 1917 was *not* a Communist Revolution. It was a spontaneous and confused uprising of a war-weary people. When this Revolution took place Lenin was in Switzerland; another Communist leader, Trotsky, was in New York; Stalin was in Siberia, and most of the other Communists, then called Bolsheviks, were in jail or exile.

The new Provisional government granted pardons to political exiles and the Bolsheviks returned to take over the country.

The principal opponent of the Provisional government was the Petrograd Soviet (or Council) of Workers' and Soldiers' Deputies, composed largely of workers and soldiers from the factories and military detachments of Petrograd.

Lenin set out to build up the power of the Petrograd Soviet and to gain control of it. In October 1917, he succeeded in overthrowing the Provisional government which had just been endorsed by the great majority of the Russian people in a free election.

Neither in Russia nor in any other country has Communism taken over because the majority of people wanted Communism. The Communists won control in Russia because they were trained, disciplined and shrewdly led – and their opponents were divided and weak. The Communists used—as they have

ever since – the techniques of force, terror, persuasion and promises.

The Communist Party

IN HIS BATTLE TO establish Communism in Russia, Lenin developed operating doctrines that still guide the party.

Probably the most important of these doctrines is that the Communist Party should not be a large party of workers, but a closed party of professional revolutionaries.

Even before Marx died, a fundamental flaw in his analysis was becoming clear. Real wages were rising in Europe. Moreover, the workers seemed to be reasonably content with the steady progress they were making. They were working for reforms within the existing social order. They were willing "to live with their fellow-men rather than to conspire to kill them."

Lenin met this problem in characteristic fashion. In 1902, he published a pamphlet, *What Is To Be Done?* The views expressed in this pamphlet are considered the beginning of modern Communism.

Since the workers were obviously unwilling to revolt and take over the government and the tools of production, Lenin said, they would have to be *made* to fulfill their historic Marxist destiny.

The instrument for accomplishing this task would be a closed party of professional full-time revolutionaries who "know" what is best for workers. The party would determine "the truth" and the "truth" would be *imposed* on everyone else.

The doctrine and tactics of the Communist Party shift from time to time and from emergency to emergency. Stalin cited his interpretations of Marx and Lenin to legitimize his actions.

Khrushchev refers to his own interpretations of Marxism-Leninism indicating a change in emphasis or tactics.

But the concept of a comparatively small group of highly disciplined party members—the "vanguard"—leading the battle for "The Revolution," and imposing the "truth" on everyone else has not been changed.

A program for the Communist Party prepared for submission to the party congress in October 1961 under the direction

of Khrushchev makes much of "peaceful coexistence." Some observers say the lengthy document rejects earlier Communist theory on the inevitability of war and the necessity for violent revolution. It suggests, as Khrushchev declared in 1956, that Communists can gain power through parliamentary means in some cases.

But there is no evidence in the document that the Communists are departing from their basic objectives. It makes clear that "peaceful coexistence" is not peaceful, as we understand the term. Rather, it "constitutes a specific form of class struggle . . . between socialism and capitalism on an international scale". There is no change in the basic Communist creed that the class struggle must be continued until capitalism is destroyed—by whatever means.

In other words, "peaceful coexistence" is the most recent form of Soviet expansion tactics, combining economic competition with the West and economic penetration of underdeveloped countries.

Four long-time students of Communist strategy in a penetrating analysis prepared for the Foreign Policy Research Institute of the University of Pennsylvania declare:

> Communist theory holds that the whole world is a battlefield upon which opposing forces are locked in a titanic contest of indefinite duration. . . .
>
> To the Communists, what we call peace is merely a war conducted by other than military means. Thus war, to them, whether fought with military hardware or with nonviolent, political and psychological instruments, is a single thing. "Hot" and "cold" are simply phases of intensity in the same war.
>
> This is not a mood, or a passing state of mind, or a burst of nationalistic enthusiasm which we can assume will die away. It is a conviction and a life-program dictated by the secular religion revealed by Karl Marx . . .
>
> Until this fact is grasped, there can be no understanding of the continual "crises" through which we are passing, and there can be no counter-strategy that will have any lasting effect . . .
> Little in our history has prepared the American people for a protracted conflict with a remote terminal point and an indetermi-

nate outcome. . . . Yet the United States cannot escape the challenge . . .[2]

The United States cannot escape the challenge because the Communists see the United States as their prime target. Our whole way of life reveals the falsity of the Communist claim that people find happiness and prosperity only under the Communist rule.

Our economic and industrial strength is built upon free institutions which Communist theory says are unworkable and doomed to failure.

Most important, the United States is the greatest world power and the leader of the Free World. Our destruction would open the door to Communist victory everywhere.

Khrushchev was expounding the theories of Marx and the doctrine of Lenin when he told the Hungarian Academy of Sciences:

"Capitalism is at its ebb, heading for collapse. This does not mean that it is already lying down, its legs stretched out; much work has yet to be done to bring it to such a state . . ."

In other words, as a Marxist, he had to believe that capitalism was doomed; as a follower of Lenin he had to do all he could to help kill it.

The Pattern of Communism

MARX AND LENIN set the pattern for Communism.

They gave Communists:

- The goal—the overthrow of all existing non-Communist social systems and world domination.
- A materialistic philosophy that permits Communists to use any techniques necessary to achieve their goals and to impose Communism on others by force. "We repudiate all morality that is taken outside of human, class concepts," said Lenin. "For us, morality is subordinated to the interests of the class struggle."
- The "operating doctrine" to be followed in trying to achieve the goal of world Communism—most importantly, the principle that the battle should be led by a comparatively small group of disciplined party members.

Still one more refinement in this basic pattern has been developed—justification for the dictator who would lead the party.

It is a tribute to the appeal of the idea of "democracy" that the Communists have adopted the word as a slogan. They refer to the Soviet Union as "the most advanced type of democracy". They describe the dictatorships in China, the Soviet satellite countries of eastern Europe, North Vietnam and North Korea as "people's democracies."

They "liberate" countries they enslave.

In fact, of course, the Russian government is a dictatorship. And nowhere is the tortured logic of Communism more evident than in attempts to justify this dictatorship, and to term it "democracy".

The theory of Communism holds, as we have seen, that the capitalistic system breaks down and that the workers—or proletariat—take over all the means of production in the Socialist state. Eventually, because evil economic influences have been removed from their lives, all men become pure and noble, working unselfishly for the common good. There is no need for government; government "withers away". But until this day of true Communism appears—until the character of man has been changed, and all capitalistic influences destroyed—Communist countries are in a period of "transition."

This is the period of the "dictatorship of the proletariat".

Lenin here introduced two key points:

First he made clear that "dictatorship" was to be unhindered by law and should rest on force.

. . . The scientific concept "dictatorship" means nothing more nor less than unrestricted power, *absolutely unimpeded by laws or regulations and resting directly upon force.* This is the meaning of the concept "dictatorship" and nothing else.

Second, Lenin had to justify his rule as an individual dictator. Under Communist theory, the system was a "dictatorship of the proletariat". Lenin, therefore, tried to justify his personal rule on the theory that he was acting on behalf of the masses.

"The irrefutable experience of history has shown that in the history of revolutionary movements the dictatorship of individual

persons was very often the vehicle, the channel of the dictatorship of the revolutionary classes."

Since Lenin's time, the Communists have put up some "window-dressing". On paper, the Soviet citizens have the same right to vote as the free people of the world.

A large percentage of Russian people do vote. Intensive campaigns are waged to get people registered and to the polls. Election day has a holiday atmosphere and gives a feeling of participation in government to the average Russian. Elections are useful to Communist leaders as a barometer of public morale.

But Communist elections are not elections as we understand the term. Voters are not given a choice between voting for a candidate who is a member of the party or party-supported—and of not voting. Failure to vote is interpreted as opposition to the party—and few Russians wish to be publicly placed in that position.

The late Josef Stalin made the party's position clear on elections and political parties:

> "Our country is the country of the dictatorship of the proletariat and the dictatorship is headed by a single party, the Communist Party, which does not and cannot share power with other parties."

Understanding this pattern of Communism—a small dictatorial, disciplined group unhampered by law or morals working toward the Communist seizure of power and world domination—helps us understand many developments within Communist countries as well as the operations of the International Communist network. It helps us understand why Communists' ideas on religion, justice, and education are so hostile to ours.

Religion

A COMMUNIST WILL TELL you with a perfectly straight face, for example, that the Constitution of the Soviet Union "recognizes freedom of religious worship and freedom of anti-religious propaganda". He will tell you that people still go to church in Russia.

Some people do go to church in Russia. But the significance of this fact can be easily misinterpreted. It does not indicate

any change in the long-range Communist goal of destroying religion.

Following the Revolution of 1917 in Russia, the Communists set out to exterminate religion in the nation. Churches were closed and turned into anti-religious "museums." Clergy were jailed. A government organization, "The League of the Godless," was set up to handle anti-religious propaganda and education.

When the Germans attacked Russia in 1941, however, Stalin recognized that he must gain all possible support. He therefore relaxed the oppression.

Freedom of the church is limited. Church leaders obviously understand that no criticism of the Communist Party or its activities will be tolerated. Nor is there any reason to believe that temporary tolerance of limited church activities indicates any fundamental change in Communist aims. "We remain the atheists we have always been," says Khrushchev. "We are doing as much as we can to liberate those people who are still under the spell of this religious opiate."

In short, finding it too difficult and costly to blot out religion immediately, the Communists have changed their tactics. David J. Dallin, a long-time student of Communism, has pointed out:

> The help of the clergy with regard to countries in which the Greek Orthodox Church was strong, such as Rumania, Greece, Serbia and some Middle Eastern areas, made it politic to maintain the new status of the church even after the war. Anti-religious propaganda, however, was resumed by the successor of the League of the Godless, the new Society for Dissemination of Political and Scientific Knowledge, which was established in 1947.[3]

This willingness to change tactics to achieve long-range goals is also evident in Communist propaganda in the United States. In this country, where religious belief is strong, anti-church propaganda is soft-pedaled.

Church-goers in Russia today are largely the older people, most of them women, who have a deep religious belief. The absence of young people reflects the steady anti-religious propa-

ganda, including the weaving of atheism into all the courses at school.

By its very nature, Communism must always seek to eradicate religion that teaches a belief in the dignity of man or the importance of the individual.

Communists in their "dialectical materialism" have built a highly formalized system of logic. But this whole superstructure rests on the fundamental premise that the material life of society is primary. All other aspects of life—spiritual, cultural and political—are secondary.

Most religions strike at this basic premise. Communism cannot tolerate men who put their God ahead of the Communist Party.

"Communism is more than an economic, political, social or philosophical doctrine," says J. Edgar Hoover, Director of the Federal Bureau of Investigation. "It is a way of life; a false, materialistic 'religion'. It would strip every man of his belief in God, his heritage of freedom, his trust in love, justice, and mercy."

Justice

THE REIGN OF TERROR that prevailed under Stalin in Russia has been widely publicized. Everyone is familiar with the fact that millions of people were deported to "slave labor camps" or summarily executed.

In the past few years, changes in the system of justice have led some people to believe that the Soviet has lessened its police controls.

A major "reform" has been the separation of the functions of investigation, prosecution and trial.

Whereas formerly an ordinary citizen could be investigated, tried, and sentenced by the secret police, he can now expect that a separate prosecutor's office will examine the evidence and decide whether to bring him to trial.

If he is tried, it will be by courts which, in theory, are separate from the office of the prosecutor and the police.

It may be that if he were tried for assaulting a neighbor, an ordinary citizen would receive a reasonably fair trial. But if he

were accused of "disseminating Western propaganda", for example, the situation would be far different.

The police are still active. Justice is still what the Communist Party says it should be.

Members of the police, the prosecutor's office, and the judges can be appointed—*and removed*—by the Communist Party. A defense attorney can be punished by the party for working too hard in his client's behalf.

One Soviet judge put the matter bluntly: "The demand that the work of the judge be subject to law, and the demand that it be subject to the policy of the Communist Party cannot be in contradiction in our country."

In addition, of course, military courts are still empowered to try cases in complete secrecy.

In short, the system of justice is used just as are all other institutions—such as education—in the Soviet Union to facilitate the control of the Communist Party over the nation and its people and to advance it toward its goal of world domination.

The Challenge of Communism

THE THREAT OF Communism comes from its three inter-related aspects.

Communism is a doctrine—an ideology. It includes theories and ideas about history and about the organization, the operation, and the future development of society which serve to motivate Communists and enable them to justify their actions. This ideology is a threat because it motivates disciplined party members operating under the direction of the Soviet Union and Red China.

Communism is also the social order existing in Russia and China which is rooted in the ideology—although leaders in both countries modify details of the doctrine as they see fit. Communist Russia and Red China are a threat because the men in control seek world domination and are building up their industrial and military power to achieve their goal.

Communism is the International Communist apparatus. It is a threat because it uses all manner of subversion and infiltra-

tion to promote the drive for power of the Soviet Union and Red China.

Today, the Communists attack on a wide front and with a variety of weapons.

They use propaganda, infiltration, subversion.

They use the threat of major war, the threat of limited war, various forms of diplomatic blackmail to keep the nations of the Free World off balance.

They work persistently to penetrate the under-developed areas of Asia, the Middle East, Africa, Latin America.

They strive ceaselessly to drive wedges between the members of the North Atlantic Treaty Organization (NATO).

Added to their incessant propaganda campaign on the "inevitability" of Communism is their propaganda campaign on the "invincibility" of Communism.

How Do We Meet the Communist Challenge?

MOST PEOPLE TODAY recognize the challenge of Communism.

How do we meet it?

In preparing this course, the authors talked to many experts on Communism and to leaders in the forefront of the battle against Communism.

These experts agreed, in essence, that individual Americans can best fight Communism by:

1. Understanding the Communist threat.
2. Working to strengthen the United States.

Understanding the Communist threat requires study of Communist ideology and objectives, Communist tactics and strategy, Communist strengths and Communist weaknesses.

The strength of the United States lies in its cultural and spiritual heritage, its political system, the quality of its leadership, its economic system, the character of its people, the freedom of its citizens and their acceptance of the responsibilities that go with freedom.

Pamphlet 8 (*What You Can Do About Communism*) will explore in some detail what individuals can do to help meet

the Communist challenge, although no course, obviously, can cover all aspects of the Communist Challenge.

Major emphasis in this course will be placed on economic systems.

At first glance, this emphasis may appear misplaced. In their propaganda campaigns, Communists are attempting to convince the world that the great struggle is *solely* between two economic systems.

"The growth of industrial and agricultural production is the battering ram with which we will smash the capitalist system, enhance the ideas of Marxism-Leninism, strengthen the socialist camp and contribute to the victory of the cause of peace throughout the world," boasts Khrushchev.

Despite Premier Khrushchev's incessant emphasis on production, the crucial differences between our societies are *not* the differences in our economic systems.

The fundamental differences between Communism and our democratic way of life result from divergent views on moral and spiritual values and on the relationship of the state to the individual. Lying at the heart of our differences is our different concept of the dignity and importance of the individual and his right to search for "truth" in his own way.

The real issue is "Freedom versus Communism".

We have many freedoms and rights that Communism curtails and we want to protect them all:

Freedom of religious worship and practice.

Freedom of speech, assembly and movement within the country.

The right to own land, a home and means of production.

The right to work at occupations and locations of one's own choice, according to one's ability.

The right to a secret vote in selecting one's leaders and the right to political beliefs and opinions of one's own choosing.

The right to equal, impartial justice under law, and freedom from arbitrary arrest, detention, or exile.

Since we have many such freedoms and rights, we should not fall into the trap of regarding the struggle between free-

dom and Communism as merely a struggle between two methods of economic organization.

Why, then, should we emphasize economics?

There are two reasons: (1) The differences in our economic systems have received less attention than many other areas; (2) strengthening our economic system is important.

Economics Has Received Less Attention Than Many Other Areas

AMERICANS GENERALLY value their political freedoms. The origin and development of the American Republic has been taught to every school child. Much emphasis has been placed on the relationship of freedom to the division of powers among the Executive, the Legislative and the Judicial branches of our government. The concept of limited government and the division of responsibilities between the National Government and state and local governments are recognized as contributing to the preservation of our liberties.

We have all learned about the Constitution with its Bill of Rights that guarantees us freedom of religion, freedom of the press, and the many other great freedoms that we possess and will fight to maintain.

The importance of these political freedoms to each one of us cannot be over-emphasized.

All of us have heard reports of "liquidations" and "purges", of heart-quaking knocks on the door by secret police and of the horrors of "slave labor" camps in Communist countries. These have served to dramatize the importance of our personal freedoms.

In contrast to the considerable volume of information about the loss of individual political freedom under Communism, there has been little available material on the basic differences in our two economic systems and the way these differences affect individuals.

Many descriptions of the way Russians work and live have been published in this country. In recent years there has been much discussion, too, of the over-all growth of the Russian

economy in comparison with our economy. Writers of articles in economic journals and witnesses before Congressional Committees have analyzed the Russian economic system in considerable detail.

Yet, for the most part, there has been relatively little popular discussion of such significant questions as: What are the strengths of our economic system? . . . the weaknesses of our economic system? The strengths and weaknesses of the Communist economic system?

And, most important, what can we do to make our system work better?

A few years ago a study revealed that, although the American people expressed firm support of the American economic system, there was widespread failure to understand *why* our economy has brought unparalleled prosperity to our people. There was little appreciation of *how* and *why* our economy works—the basic principles on which it operates.

This course emphasizes those basic principles.

Where possible, it compares the operation of our economy with the operation of the Russian economy. Comparing the Soviet and the United States economies, in some ways, is like comparing the American eagle and the Russian bear. They are two different things. Moreover, the problem is complicated by the differences in statistical information available on the two countries, the secrecy of the Russians, and their distortions of facts for propaganda purposes.

Despite such problems, a revealing comparison of significant differences in the operation of our economy and the economy of the Soviet Union is possible.

Because the Communists have played up every success to the full propaganda limit we are, perhaps, in danger of losing our sense of proportion and perspective.

The Overstreets in their book, "What We Must Know About Communism" have pointed out:

> To a greater degree than we may realize, we have let the Communists, by their insistent propaganda, distort our image of ourselves.
>
> They have called us war-mongers and imperialists until we, want-

ing to be neither, have become half-persuaded that we are both. They have spotlighted every unsolved problem of our society until we . . . have lost our sense of proportion and of honest accomplishment in an orgy of guilt feelings.

They have called us smug and self-righteous . . . until we have become self-conscious about showing any pride at all in our traditions or our present way of living.[4]

Today, our economic system is under attack. Communists say it is in its "last stages of decay and collapse". No one claims our system is perfect. But its problems should not be permitted to overshadow its demonstrated effectiveness, on the whole, in providing for the needs and desires of people.

A better understanding of our economic system, built on the principle of free choice rather than on compulsion, and a comparison with the economic system of Russia may give us a better sense of proportion.

Our Economy Is Important

THE SECOND REASON why this course emphasizes economics is that our economy is important. We *are* facing an economic challenge.

The Communist challenge is total—ideological, political, and economic.

Our prestige and posture in the world today depends on our moral and spiritual values. But it also depends on our economic strength.

The demands on our economy are heavy:

- It is called upon to provide the resources that will enable the United States to maintain a military deterrent sufficiently strong to discourage Russia—or any other country—from turning the cold war into a hot war.
- It is called upon to provide resources that will enable the United States to play a leadership role in scientific and space exploration.
- It is called upon to provide resources that will build up the strength of our allies and help the so-called uncommitted nations of the world maintain their independence.

- And at the same time it is called upon to meet these demands, it is being called upon to provide jobs and a rising standard of living for our increasing population.

Placing emphasis on the necessity for a strong, stable, growing economy does not mean we are overly materialistic. In today's world, it means we are realistic.

If our free competitive economy is weakened, the whole balance of world power is tilted to the side of the Communists.

If our free competitive economy is weakened, we lose our biggest advantage over the Communists.

If our free competitive economy is weakened, a basic weapon in the cold war is made less effective.

Communism, as it exists today in Russia, is far removed from the classic Marxian doctrine of "from each according to his ability, to each according to his needs." It is Socialistic in the sense that all the means of production are owned by the State. But it goes beyond socialism. It is a totalitarian regime, a system built by a minority group who have found that by controlling the army, the police, the courts and the means of communication they can mold an economy to expand their power.

The system has even been called "state monopoly capitalism" by some people because as we shall see in following pamphlets it has borrowed many features of capitalism. Insofar as the term capitalism involves private ownership and individualism, of course, the term does not apply.

We all know what the American economic system is—or do we?

How does the consumer affect the decisions made on the quality and price of goods and services produced?

How is the major economic problem of satisfying unlimited wants with limited resources met in the United States? How does our approach to this problem differ from the Russian approach?

Why do the Communists train their heaviest propaganda guns against "profits"?

Who gets what in the United States—and why? How is this distribution of rewards different from the Communist system?

How important is productivity? What is its relationship to rising standards of living?

What role should the government play in promoting growth?

What are the different sectors of an economy and how are they related?

What can we do about inflation, about unemployment?

These are some of the problems that will be explored in these pamphlets which serve as background reading for the course workshops.

Reality versus Illusion

KHRUSHCHEV IS FACED with the problem of moving his country from a system of socialism to pure Communism—in line with Marxian doctrine.

A 45,000-word Communist Party document issued in 1961 makes virtually unlimited promises to the Soviet people. It holds out the hope of a glorious future—in exchange for the drabness of today.

By 1980, according to the blueprint," a material and technical basis" will be laid for the transition to pure Communism. The present "dictatorship of the proletariat" is supposed to be replaced by "democratic electoral procedures". Soviet consumers are promised that their living standards will be higher than Americans.

Meanwhile, of course, rigid State control is to be maintained. The primary purpose of the economy—to build up the power of the State—remains unchanged. Even if the production of the Soviet Union continues to increase, the basic defects in its system will continue to exist. The costs of its achievements in terms of human welfare will continue to be incalculable.

J. Edgar Hoover, Director of the Federal Bureau of Investigation, has put the issue sharply in focus:

> American reality is superior in every way to the Communist illusion. It is superior, not because it is ours, but because it expresses the universal qualities of human nature. We possess the true legacy of man's age-old struggle from slavery to freedom. Ours is an inheritance solidly grounded on the reality of man's manifold needs and aspirations and on his inherent dignity and worth as a sovereign individual. . . .
>
> Our military might, political structure, economic resources, while effective, will not by themselves insure the victory over Communism. These weapons must be reinforced by each citizen's awareness of the intrinsic superiority of his society. From this awareness will develop a revitalized determination, not only to continue our resistance to Communism, but, more important still, to make our living democracy a force of moral and spiritual persuasion which will fire the imagination of the entire world.

NOTES

1. *The Strategy and Tactics of World Communism.* House Document No. 619. 80th Congress, 2nd Session. United States Government Printing Office. 1948. p. 24.
2. *Protracted Conflict,* Robert Strausz-Hupe, William R. Kintner, James E. Dougherty, Alvin J. Cottrell. Harper & Brothers. New York. 1959. (As condensed in *Reader's Digest.* January 1961. pp. 36-39).
3. *Facts on Communism.* (Volume II). House Document No. 139. 87th Congress, 1st Session. United States Government Printing Office. 1960. p. 232.
4. *What We Must Know About Communism.* Harry and Bonaro Overstreet. W. W. Norton and Company, Inc., New York. 1958. p. 92.

Suggested Reading

BAUER, RAYMOND, ET AL., *How the Soviet System Works,* Vintage Russian Library. 1960. $1.25. An assessment of the social and psychological strengths and weaknesses of the Soviet system based on hundreds of interviews with refugees from the Soviet Union.

BUDENZ, LOUIS, *The Techniques of Communism,* Henry Regnery. 1954, $5.00. A former American Communist analyzes Communist methods of subverting a nation. Budenz examines, among other things, Communist training of infiltrators, the role of the press, infiltrating education and government agencies, and the use of minority groups.

CHAMBERS, WHITTAKER, *Witness,* Random House. 1952, $5.00. This is the autobiography of the former American Communist who was instrumental in exposing Alger Hiss.

COLEGROVE, KENNETH, *Democracy Versus Communism,* Van Nostrand. 1957, $4.95. Textbook written especially for the high school student. It portrays differences in terms of human experiences and forcefully outlines the unique advantages of democracy.

DALLIN, DAVID J., *The Changing World of Soviet Russia,* Yale University Press, New Haven. 1956, $6.00. A survey of Soviet history in three parts: Social Revolution in Russia; The Soviet System; and Foreign Policy.

EVANS, JOSEPH E., *Through Soviet Windows,* Dow Jones & Co., New York. 1957, $1.00. A readable discussion by a reporter for the *Wall Street Journal* on the Russian economy with special emphasis on how the Russian people work and live.

FAINSOD, MERLE, *How Russia Is Ruled,* Harvard University Press, Cambridge. 1953, $7.50. A complete and authoritative study of the Soviet government.

HAHN, WALTER F. and NEFF, JOHN C., editors, *American Strategy for the Nuclear Age,* Doubleday-Anchor. 1960, $1.45. A collection of thirty-three essays by American statesmen, military experts, scholars, and international businessmen resulting in an enlightening analysis of Communist strategy versus Free World strategy.

HOOVER, J. EDGAR, *Masters of Deceit,* Holt and Company, New York 1958, $5.00. This book by the FBI Director is a valuable primer on Communism, what goes on underground, how discipline is enforced, and why this is no time for complacency.

HUNT, R. N. CAREW, *The Theory and Practice of Communism,* Macmillan, New York. 1957, $4.00. Deals with the basis of Communist theory; the rise of the European labor movement in the nineteenth century, and relates Marxist principles to the changing conditions of the twentieth century.

KULSKI, W. W., *The Soviet Regime,* Syracuse University Press, Syracuse. 1954, $8.00. A standard reference work on the U. S. S. R. and on Communism in practice.

MEISSNER, BORIS, *The Communist Party of the Soviet Union,* Praeger, New York. 1956, $5.00. Traces the development of the Communist Party in Russia from the Nineteenth Party Congress through the Twentieth Party Congress.

OVERSTREET, HARRY and BONARO, *The War Called Peace,* W. W. Norton and Co., New York. 1961, $4.50. Analysis of Khrushchev's Communism.

OVERSTREET, HARRY and BONARO, *What We Must Know About Communism,* W. W. Norton and Co., New York. 1958, $3.95. A study of the character of the Communist menace, what is at stake, and what needs to be done.

ROSTOW, WALT W., *The Dynamics of Soviet Society,* W. W. Norton and Co., New York. 1953, $2.85. Covers the evolution of Soviet rule, the higher politics, bureaucratization, ideology, foreign policy, and the development of the satellite states. Describes the pattern of Soviet society in general, the instability of its executive organizations, and the causes of group dissatisfactions.

RUSH, MYRON, *The Rise of Khrushchev,* Public Affairs Press. 1958, $3.25. An original and interesting study of the rise to power of Nikita Khrushchev by a member of the Rand Corporation.

SKOUSEN, W. CLEON, *The Naked Communist,* Ensign Publications. 1958, $6.00. The history of Communism and its inroads in the United States.

STRAUSZ-HUPE, ROBERT, et al, *Protracted Conflict,* Harper, 1959, $3.95. Analyzes Communist strategy, examines the principles guiding Communist conflict management, and discusses the techniques and stratagems of the Cold War.

STRAUSZ-HUPE, ROBERT, et al, *A Forward Strategy for America,* Harper. 1961, $5.95. A prescriptive treatment of the problems posed in *Protracted Conflict.* Addressed to the necessities which urge upon the United States a strategy beyond survival, and in the book the general concepts for such a strategy are set forth.

THAYER, CHARLES W. and the EDITORS of *Life, Russia,* Life World Library, Time Incorporated. 1960, $2.95. A well-written, profusely illustrated look at the Soviet Union—its history, its economy, its government, and its people.

United States Chamber of Commerce. *World Challenge.* Washington, D. C. $1 per year. A bi-monthly bulletin designed to serve as (1) a clearinghouse of information on Communist economic-political activities abroad and other international matters of concern to American business, and (2) a means whereby American firms with foreign operations can exchange information, experiences and problems in promoting improved international relations while doing business abroad.

United States Chamber of Commerce, *Economic Intelligence,* Washington, D. C. $1 per year. A monthly bulletin of interpretation and comment on economic developments, with emphasis on analysis of socialist and controlist trends, both here and abroad.

General Economics Textbooks

(Useful as a supplement to all eight pamphlets)

BACH, GEORGE L., *Economics: An Introduction to Analysis and Policy*, Prentice-Hall. 1954. $6.00.

BURNS, ARTHUR, ET AL., *Modern Economics*, Harcourt, Brace, and Co. 1953, $5.75.

COUNCIL FOR THE ADVANCEMENT OF SECONDARY EDUCATION, *Capitalism and Other Economic Systems*. 1959, $.50.

LOUCKS, WILLIAM N., and HOOT, J. W., *Comparative Economic Systems*, Harper & Brothers, New York. 5th edition 1957, $6.50.

OXENFELDT, ALFRED R., *Economic Systems in Action*, Rinehardt. 1952, $1.50.

ROBINSON, MARSHALL A., ET AL., *An Introduction to Economic Reasoning*, The Brookings Institution, Washington. 1956, $3.00.

SAMUELSON, PAUL A., *Economics: An Introductory Analysis*, McGraw-Hill Co. 1961, $6.95.

SMITH, AUGUSTUS, *Economics For Our Times*, McGraw-Hill Co. 1959, $5.48.

UNITED STATES CHAMBER OF COMMERCE, *The American Competitive Enterprise Economy*, Washington, D. C. Set of 17 pamphlets is $6.00. Pamphlets for teaching adult economics in the form of an Economics Primer for local economics discussion clubs. Directed at the interested intelligent layman. Useful in senior high schools and colleges. Discussion questions. Tape recordings and questions for each pamphlet; kit $85.00.

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